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CONGRESSIONAL RECORD -- SENATE

July 2

new information developed through the committee hearings held in May of this year.

The Treasury estimates that the revenue cost of extending retirement plans coverage to self-employed under this amended bill will range between \$150 million and \$250 million annually, as compared with \$365 million under the bill as passed by the House.

And in this connection, this cost is to be offset in considerable measure by an anticipated increase in revenues resulting from changes in the corporate area.

Without going into details the pending bill, as amended by the Finance Committee, differs from the bill as it passed the House in the following major respects:

(1) Self-employed may participate in their own qualified pension plan only if the plan includes their employees—and is nondiscriminatory as to coverage, contributions, and benefits.

(2) The basic deduction allowable each year is patterned on the original H.R. 10 formula—10 percent of earnings up to \$2,500 a year. However, the Senate Finance Committee bill uses "earned income" as the base, which generally would be less than "self-employment income" used in the original version.

(3) The basic formula of 10 percent of earned income up to \$2,500 is not increased for persons over 50 years of age. The original version raised the percentage and dollar limitations between years 50 and 70.

(4) The original bill contained a total lifetime limitation of \$50,000 for contributions on behalf of each self-employed person. This limitation has been eliminated in view of other restrictions inserted in the amended bill.

There is another aspect of the committee bill which should be mentioned. It places additional restrictions on corporate pension plans when a covered employee is owner of more than 10 percent of the corporation's stock. This would prevent unwarranted tax advantages for a few individual stockholders.

The Finance Committee report on this bill supports the belief that it is in the public interest to extend coverage of individuals under voluntary retirement plan as a means of discouraging complete reliance on local, State or Federal Government for assistance.

The same general privileges and restrictions should apply whether plans are established by proprietors, partnerships or corporations.

It is for this reason that the committee bill provides that self-employed persons may participate in their own qualified pension plan only if the plan includes their employees—and with respect to employees the plan shall be nondiscriminatory, percentage-wise, as to coverage, contributions and benefits.

The best information available to the committee indicated some 20 million persons would be affected by this bill—10 million self-employed, and 10 million employees of the self-employed.

Representatives of the self-employed persons throughout the Nation have been seeking this type of legislation since 1951, and various bills which should accomplish this purpose have been introduced over the past 10 years.

I believe the committee bill is the best approach to the problem proposed to date. It will reach individuals in a wide variety of trades and professions in a reasonable manner and within a pattern already existing in the Internal Revenue Code.

Under these circumstances I am prepared to support the bill (H.R. 10) as amended and reported by the Senate Finance Committee.

GLORIA ANNE LOVEDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the

Senate proceed to the consideration of Calendar No. 1834, H.R. 7895.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7895) for the relief of Gloria Anne Loveday.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President. The purpose of the bill is to enable Gloria Anne Loveday to qualify for an immigrant visa under the quota for Great Britain, of which country she is a citizen.

It was objected to on the calendar, but objection has since been removed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 7895) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FULBRIGHT. I move to lay the motion to reconsider on the table.

The motion to lay on the table the motion to reconsider was agreed to.

CONVEYANCE OF CERTAIN PROPERTY IN THE CITY OF FLANDREAU, S. DAK.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1691, Senate bill 3709.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3709) directing the Secretary of the Interior to convey to the city of Flandreau, S. Dak., any interest remaining in the United States to certain property which it conveyed to such city by the act of August 21, 1916.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the bill was called on the calendar. Objection was made on the ground that it did not comply with the Morse formula. The Senator from South Dakota (Mr. MURK) has an amendment embodying the Morse formula which he proposes to offer.

Mr. MURK. Mr. President, I offer an amendment which I send to the desk in behalf of the Senator from Oregon (Mr. MORSE), and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. On page 1, line 4, it is proposed to strike out "without consideration." At the end

of the bill it is proposed to add the following new section:

Sec. 2. The conveyance authorized by the first section of this Act shall be conditional upon the State of South Dakota paying to the United States 50 per centum of the fair market value, as determined by the Secretary of the Interior, of any interest (including any proprietary interest) held by the United States in the property conveyed.

The PRESIDING OFFICER. The question is agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MURK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPROVEMENT OF ADMINISTRATION OF OVERSEA ACTIVITIES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1718, H.R. 7758.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with amendments, on page 8, at the beginning of line 3, to insert "The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest."; on page 7, line 14, after the word "or", to strike out "transportation" and insert "travel"; on page 8, line 6, after the word "The", to strike out "cost of transporting" and insert "travel expenses of"; in line 10, after the word "Act", to strike out "transportation" and insert "travel expenses"; on page 24, line 9, after "443", to strike out "901 (1) and (2)"; in line 12, after "838", to strike out "1131", and on page 27, after line 10, to insert:

(7) Section 801 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), is amended to read as follows:

"REPRESENTATION ALLOWANCES
"Sec. 801. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States allowances in order to provide for the proper representation of the United States by officers or employees of the Service."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I believe the Senator from South Carolina will explain the bill.

Mr. JOHNSON of South Carolina. The purpose of the bill is to improve and strengthen Government overseas activities by establishing a uniform system for compensating all Government employees in overseas posts irrespective of the agency by which they are employed. The bill would provide uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment. Current applicable laws do not provide this uniformity.

The committee has very carefully studied the provisions of the bill and has unanimously reported it to the Senate. It was requested by the administration.

Mr. CARLSON. The chairman of the Committee on Post Office and Civil Service has accurately stated the purposes of the bill. It has the approval of every agency of Government. I sincerely hope it will be passed.

Mr. FULBRIGHT. That is what I was going to inquire about. Does it have the approval of the State Department?

Mr. JOHNSON of South Carolina. Yes. The administration sent the bill to us, and they recommended it. We introduced it at their request.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 7758) was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of South Carolina. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVISION AND CODIFICATION OF TITLE 39, UNITED STATES CODE, ENTITLED "THE POSTAL SERVICE"

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1834, H.R. 2339.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2339), to revise, codify, and enact into law, title 39, of the United States Code, entitled "The Postal Service."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. ERVIN. Mr. President, the bill would revise, codify, and re-enact the laws relating to the postal service. It has twice passed the House, once in the 85th Congress, and again in this Congress. We inserted in the CONGRESSIONAL RECORD a notice of a hearing by the Subcommittee on Revision and Codification of the Committee on the Judiciary, notifying all interested persons of the hearing on the bill. All persons who requested a hearing by the subcommittee were consulted. All of their suggestions have been accepted or reconciled, with the consent of the postal authorities.

The postal laws have not been codified for approximately 90 years. The bill brings forward and codifies the postal laws in one place. I have been assured by the General Counsel for the Post Office Department that there has been no change of substance in the proposed codification, and that this codification merely eliminates some statutes which have become obsolete with the passage of the years, and rephrases in simpler language some of the most difficult passages in the laws relating to the public service, but makes no substantive change in the laws.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. HUMPHREY. I merely wish the RECORD to show that whenever I see a bill whose purpose is to revise and codify and enact into law certain statutes which are already on the books, with only what we call slight revision and no substantive change, I am always suspicious.

The reason why I am suspicious is that every codification of law that we have had in the last 8 years has had a few sneakers in it.

While I shall not debate the issue at this time, I wish to be recorded as being against the bill. It is not because I do not have faith in the Senator from North Carolina. He is a distinguished and able Senator, and I would very much like to accept his expression of faith in the bill. However, he relies upon the General Counsel for the Post Office Department, and the General Counsel for the Post Office Department wrote some words in connection with the bill which are subject to some interpretation. I believe he said that there was no substantive change—

Mr. ERVIN. No change of substance.

Mr. HUMPHREY. No change of substance. What was the "but" phrase?

Mr. ERVIN. The General Counsel declares that the codification under consideration merely eliminates some statutes which have become obsolete with the passage of the years, and in some instances rewrites some of the old statutes so as to make them simpler. That is the assurance I have received from the General Counsel. That is the conclusion the House committee came to after passing on the matter twice, once at this session and once in a previous Congress. I made numerous spot checks.

I will not guarantee to the Senator from Minnesota or anyone else that a bill of this magnitude does not make any change in any of its sections.

Mr. HUMPHREY. I understand.

Mr. ERVIN. I have done the best I could to spot-check various sections of the bill, and the staff has interviewed all the interested parties, including those who have interest adverse to those of the Post Office Department. From all the assurances and from my own spot checks I am satisfied that this bill constitutes a mere codification and that its enactment is necessary, because a codification of these laws has not been made in about 88 years.

Mr. HUMPHREY. I understood the Senator to say that he had contacted parties or persons who had what might be called in legal terminology an adverse interest.

Mr. ERVIN. Such as the American Railway Express Co.

Mr. HUMPHREY. Individuals or companies who do not have the same position as the Post Office Department, and they have no objections.

Mr. ERVIN. In the case of objections, those things have been ironed out.

Mr. HUMPHREY. The other day in the Committee on Agriculture and Forestry, we had before us a sort of recodification of the Farm Home Administration Act. When we got down to it with a microscope and started to examine the fine print—like one of those old-fashioned insurance policies, before the Hughes investigation around 1915, or whenever it was—we found some language in it which literally did not conform with the express purposes of the act.

Every time I hear the word recodification or codification, it reminds me of a cod, and whenever we have that kind of cod lying around here, it begins to smell bad.

However, I will take the Senator's word for it, because I know he is meticulous. At the same time I wish to raise a flag of caution to my colleagues. I make a wager right now that before long we will find that the recodification was not merely a normal gathering together of the children into the fold, but that something else happened along the way. I thank the Senator for his explanation.

Mr. ERVIN. Since the bill passed the House, a number of technical errors have been discovered, and there are a large number of Senate committee amendments curing these technical errors. To save the expense of printing, I ask unanimous consent that the amendments, which are technical in form, be not printed in the CONGRESSIONAL RECORD. This is a course of action which has been taken on several occasions on codification bills.

Mr. President, I ask unanimous consent that the amendments not be printed in the RECORD.

I further ask unanimous consent that the amendments be voted upon en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina that the amend-

July 2

ments not be printed in the RECORD? The Chair hears none, and it is so ordered.

Is there objection to the consideration of the amendments en bloc? The Chair hears none, and the amendments are agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 2339) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HILL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PAYMENTS TO BERNALILLO COUNTY, N. MEX., FOR FURNISHING HOSPITAL CARE FOR CERTAIN INDIANS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of H.R. 11545.

The PRESIDING OFFICER laid before the Senate the bill (H.R. 11545) to amend the act of October 31, 1949, with respect to payments to Bernalillo County, N. Mex., for furnishing hospital care for certain Indians, which was read twice by its title.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement explaining the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The legislation is in the nature of emergency legislation.

The construction of the Bernalillo County Hospital was authorized by Public Law 438, 81st Congress, as a joint venture between the Federal Government and Bernalillo County, State of New Mexico. The Federal Government contributed \$1,500,000 and the land, while Bernalillo County provided such additional funds as were required to complete the construction and equipping of the hospital.

Public Law 438 stipulated that the county make available when required not less than 100 beds for Indians; it further provided for reimbursing the county of Bernalillo for hospital and medical services to Indians at rates not in excess of the annual per diem cost of operation and maintenance of the entire hospital, but in no event was the amount of such payment to be less than the average per diem cost of operation and maintenance for 80 percent of the beds required to be made available. The 100 beds made available at the hospital for the care of Indians are needed to provide such care pending the completion of the construction of a proposed new Indian hospital at Gallup, N. Mex. The requirement under Public Law 438, 81st Congress (which was extended until June 30, 1960, by Public Law 249, 85th Cong.), that the amount of the payment

made to the Bernalillo County Hospital shall in no event be less than the average annual per diem cost of operation and maintenance for 80 percent of the beds required to be made available for Indians is due to expire on June 30, 1960.

The Department of Health, Education, and Welfare has informed the committee that average occupancy by Indians has exceeded 80 percent of the 100 beds required to be made available. Until completion of the Gallup Hospital, bed utilization is expected to continue at a rate in excess of 80 percent. The bill, as passed by the House, would extend until June 30, 1961, the provision for minimum payment, while not affecting the authority to make payments on a per diem basis for beds actually occupied.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 11545) was ordered to a third reading, read the third time, and passed.

STATE DEPARTMENT'S REORGANIZATION OF DISARMAMENT OFFICE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received recently from Mr. William Macomber, Assistant Secretary of State for Congressional Affairs. The letter gives some specific information about an enlarged office for disarmament in the State Department. This expansion was to take place regardless of whether Congress appropriated some \$400,000 for disarmament studies. I am pleased that the Senate has appropriated these vitally needed funds. I hope the funds will be agreed to by the conference committee on the State Department's appropriation.

What is also interesting about the letter from Mr. Macomber is that it states flatly that the reorganization will be completed and fully active by the end of June. Some enterprising reporter ought to write a story on this development, because I believe he and the public would be surprised. I think he will find that the letter at best is unduly optimistic. There is, to be sure, office space allocated for an expansion of the disarmament office, but to my knowledge the additional rooms, as yet, have no occupants. Perhaps when Congress reconvenes in August I shall have more of a progress report to issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, June 17, 1960.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: The Secretary of State had already left town for a brief period of leave when we received your letter of June 9, 1960, raising certain questions with respect to our plans and budget for the establishment of a special disarmament organization. It has been discussed with him on the telephone and he has asked me to respond to it on his behalf.

In our fiscal year 1961 budget submission now pending with the Congress it was stated: "One of our most serious deficiencies in the approach to disarmament has been the absence of orderly planning to meet the highly technical and complex problems which face

the United States in the general field of disarmament. The rapid and continuing changes in weapons systems make it imperative that the U.S. Government establish disarmament planning and studies on a permanent basis to provide continuing analysis and review of disarmament policy in the light of developments in the political, economic, military and technical fields.

"A review of the U.S. disarmament policy has been undertaken by a Joint Disarmament Study Group, headed by Mr. Charles A. Coolidge. The Coolidge study to date clearly indicates the necessity for a continuing disarmament planning and studies group with staff contributed by State, Defense, AEC, CIA and other appropriate agencies. It is hoped that this group would be assisted by outside agencies. Upon the completion of this present study, 13 positions, contributed to the joint study by the Department of State will be used to form the nucleus of a permanent study group with continuing staff contributions from other agencies. An additional five positions are required for fiscal year 1961 to provide a permanent study director and supporting staff. These positions consist of a GS-18 study director, three GS-15 officers and one secretary. In addition, the fiscal year 1961 budget request includes an increase of \$400,000 to be expended for disarmament studies and \$43,270 for the employment and travel of technical consultants.

Since this budget document was prepared last fall, our plans with respect to disarmament organization have continued to evolve. It is our present belief that the organization should be established at a level within the Department high enough to provide the stature necessary for effective interdepartmental leadership. The GS-18 study director mentioned in our budget request no longer reflects the level or kind of position we now have in mind. However, we believe that existing legislative authority available to the executive branch is sufficient to permit the establishment of a senior position such as we have in mind and to support it financially in fiscal year 1961.

The 18 positions referred to in the budget request, together with those which will be contributed by the Department of Defense, the Atomic Energy Commission and possibly other departments and agencies will, we believe, be adequate to launch the new organization. Should experience indicate that additional personnel are required in fiscal year 1961, the Department is prepared to divert personnel and financial resources to this activity.

A nucleus of qualified officers is being established to take the necessary steps to activate the establishment of the disarmament plans and studies organization. It is our hope that the nucleus will be fully activated by the end of June.

The Secretary has asked me to tell you that he will be pleased to discuss this matter with you personally at some mutually convenient time, should you desire. He very much appreciates your interest and support in strengthening the disarmament organization in the executive branch.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

HEALTH CARE FOR THE AGED

Mr. HUMPHREY. Mr. President, I recently received a letter from Irving Kane, president of the Council of Jewish Federations and Welfare Funds, urging action by the Senate on legislation to provide health services for the aged through the use of old-age and survivors disability insurance.

I support such legislation and I intend to continue my efforts for Senate ap-